# ***UNDERTAKING***

## ***Undertaking***

TO PROVIDE BALANCES FOR EACH OF THE ACCOUNTS HONI IS REQUESTING FOR DISPOSITION AS AT DECEMBER 31, 2007, AND RECALCULATE APPROPRIATE RATE RIDER SCHEDULES USING THE DECEMBER 31, 2007 BALANCES WITH INTEREST FORECASTED TO APRIL 30TH, 2008.

## ***Response***

The following table provides December 31st, 2007 balances, interest improved to April 30th, 2008 ($42.9M), and also actual April 30th, 2008 balances ($65.5M).

**Regulatory Assets Requested for Approval**
**$ million**

| **Description** | **Actual Dec 31, 2007** | **Actual Dec 31, 2007 Interest Improved to April 30, 2008** | | **Actual April 30, 2008 (includes January – April '08 activity)** |
|---|---|---|---|---|
| OEB Costs Account | (0.2) | (0.2) | | (0.2) |
| Tax Changes Account | (6.2) | (6.3) | | (7.2) |
| Smart Meter Minimum Functionality Under-recovery to May 31, 2007 | 5.8 | 5.9 | | 7.0 |
| Smart Meter Exceeding Minimum Functionality Under-recovery | 1.1 | 1.1 | | 2.2 |
| Smart Meter Minimum Functionality Under-recovery between June 1, 2007 and April 30, 2008 | (1.1) | (1.0) | | 2.3 |
| | | | | |
| RSVA Wholesale Market Services | (62.4) | (63.4) | | (74.5) |
| RSVA Tx Network & Tx Network Aggregation | 6.5 | 6.6 | | (8.5) |
| RSVA Tx Connection & Tx Connection Aggregation | 7.3 | 7.5 | | 3.8 |
| RSVA Provincial Benefit | 3.8 | 3.8 | | 6.0 |
| RSVA Low Voltage | 3.0 | 3.1 | | 3.6 |
| Total Retail Settlement Variance Accounts | (41.8) | (42.4) | | (69.6) |
| | | | | |
| **Total Regulatory Assets for Approval** | **(42.4)** | **(42.9)** | | **(65.5)** |

# Regulatory Asset Recovery 2007

Actual Dec 31, 2007 Interest Improved to April 30, 2008

| | | | UR | R1 | R2 | Seasonal | GSe | GSd | UGe | UGd | St Lgt | Sen Lgt | Dgen | ST |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Stats for Allocation | | | | | | | | | | | | | | |
| Cust | 1,177,552 | | 162,058 | 376,430 | 364,938 | 155,177 | 97,005 | 7,015 | 12,744 | 1,429 | | | 84 | 673 |
| GWh | 38,411 | | 1,494 | 4,407 | 5,624 | 707 | 2,299 | 3,237 | 424 | 831 | 121 | 22 | 3.4 | 19,240 |
| GWh excl WMP | 24,267 | | 1,494 | 4,407 | 5,624 | 707 | 2,299 | 3,237 | 424 | 831 | 121 | 22 | 3.4 | 5,096 |
| Billing kWs | 56,293,509 | | | | | | | 11,019,445 | | 2,203,297 | | | 48,843 | 43,021,924 |
| Dx Rev excl Riders [$M] | 1,024 | | 53.9 | 186.5 | 392.6 | 74.8 | 113.9 | 105.5 | 11.6 | 15.7 | 4.8 | 0.9 | 0.6 | 63.4 |
| Est of Total Bill [$M] using RPP of 5/5.9 effective Nov 1st | 3,797 | | 181.1 | 527.3 | 700.9 | 129.6 | 276.4 | 360.9 | 48.4 | 122.8 | 14.1 | 2.6 | 1.0 | 1,431.8 |
| OMA | 100% | | 6.76% | 24.04% | 38.79% | 8.06% | 10.48% | 7.19% | 0.93% | 0.96% | 0.64% | 0.18% | 0.01% | 1.96% |
| NFA | 100% | | 5.78% | 21.57% | 35.38% | 7.62% | 10.52% | 12.37% | 0.90% | 2.13% | 0.89% | 0.19% | 0.01% | 2.64% |
| Balances | $ 1000s | Allocator | | | | | | | | | | | | |
| RSVA Wholesale Mkt SrChg | (63,400) | GWh excl WMP | $ (3,903.74) | $(11,514.98) | $ (14,694.65) | $ (1,846.40) | $ (6,007.24) | $ (8,458.02) | $(1,108.18) | $(2,170.60) | $ (315.08) | $ (58.57) | $ (8.86) | $(13,313.69) |
| RSVA Tx Network | 6,600 | GWh | $ 256.74 | $ 757.30 | $ 966.42 | $ 121.43 | $ 395.08 | $ 556.26 | $ 72.88 | $ 142.75 | $ 20.72 | $ 3.85 | $ 0.58 | $ 3,305.98 |
| RSVA Tx Connection | 7,500 | GWh | $ 291.75 | $ 860.57 | $ 1,098.21 | $ 137.99 | $ 448.95 | $ 632.11 | $ 82.82 | $ 162.22 | $ 23.55 | $ 4.38 | $ 0.66 | $ 3,756.79 |
| RSVA LV Wheeling | 3,100 | GWh | $ 120.59 | $ 355.70 | $ 453.93 | $ 57.04 | $ 185.57 | $ 261.27 | $ 34.23 | $ 67.05 | $ 9.73 | $ 1.81 | $ 0.27 | $ 1,552.81 |
| RSVA Provincial Benefit | 3,800 | GWh excl WMP | $ 233.98 | $ 690.17 | $ 880.75 | $ 110.67 | $ 360.06 | $ 506.95 | $ 66.42 | $ 130.10 | $ 18.88 | $ 3.51 | $ 0.53 | $ 797.98 |
| OEB Costs | (200) | OMA | $ (13.52) | $ (48.09) | $ (77.58) | $ (16.12) | $ (20.97) | $ (14.37) | $ (1.85) | $ (1.93) | $ (1.28) | $ (0.36) | $ (0.01) | $ (3.92) |
| Tax Rate Change | (6,300) | NFA | $ (364.32) | $ (1,358.75) | $ (2,229.15) | $ (479.90) | $ (662.56) | $ (779.33) | $ (56.68) | $ (134.31) | $ (56.29) | $ (12.10) | $ (0.39) | $ (166.21) |
| Smart Meter Minimum Functionality to May 31, 2007 | 5,900 | Cust # | $ 811.97 | $ 1,886.06 | $ 1,828.48 | $ 777.50 | $ 486.03 | $ 35.15 | $ 63.85 | $ 7.16 | $ - | $ - | $ 0.42 | $ 3.37 |
| Smart Meter Costs Exceeding Minimum Functionality | 1,100 | Cust # | $ 151.39 | $ 351.64 | $ 340.90 | $ 144.96 | $ 90.62 | $ 6.55 | $ 11.90 | $ 1.33 | $ - | $ - | $ 0.08 | $ 0.63 |
| Smart Meter Minimum Functionality after May 31, 2007 | (1,000) | Cust # | $ (137.62) | $ (319.67) | $ (309.91) | $ (131.78) | $ (82.38) | $ (5.96) | $ (10.82) | $ (1.21) | $ - | $ - | $ (0.07) | $ (0.57) |
| **Total Regulatory Assets for Approval** | $ (42,900) | | | | | | | | | | | | | |
| | $ (42,900.0) | | $ (2,552.8) | $ (8,340.0) | $ (11,742.6) | $ (1,124.6) | $ (4,806.8) | $ (7,259.4) | $ (845.4) | $ (1,797.4) | $ (299.8) | $ (57.5) | $ (6.8) | $ (4,066.8) |
| Assuming a 4 year recovery | $ (10,725.0) | | $ (638.2) | $ (2,085.0) | $ (2,935.7) | $ (281.2) | $ (1,201.7) | $ (1,814.8) | $ (211.4) | $ (449.4) | $ (74.9) | $ (14.4) | $ (1.7) | $ (1,016.7) |
| | Rider 3 | c/kWh | (0.04) | (0.05) | (0.05) | (0.04) | (0.05) | | (0.05) | | (0.06) | (0.06) | | |
| | | $/kW | | | | | | (0.16) | | (0.20) | | | (0.03) | (0.02) |
| | Impacts | | -0.35% | -0.40% | -0.42% | -0.22% | -0.43% | -0.50% | -0.44% | -0.37% | -0.53% | -0.55% | -0.18% | -0.07% |

# Regulatory Asset Recovery 2007

Actual April 30, 2008 (includes January - April '08 activity)

| Stats for Allocation | | | UR | R1 | R2 | Seasonal | GSe | GSd | UGe | UGd | St Lgt | Sen Lgt | Dgen | ST |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cust | 1,177,552 | | 162,058 | 376,430 | 364,938 | 155,177 | 97,005 | 7,015 | 12,744 | 1,429 | | | 84 | 673 |
| GWh | 38,411 | | 1,494 | 4,407 | 5,624 | 707 | 2,299 | 3,237 | 424 | 831 | 121 | 22 | 3.4 | 19,240 |
| GWh excl WMP | 24,267 | | 1,494 | 4,407 | 5,624 | 707 | 2,299 | 3,237 | 424 | 831 | 121 | 22 | 3.4 | 5,096 |
| Billing kWs | 56,293,509 | | | | | | | 11,019,445 | | 2,203,297 | | | 48,843 | 43,021,924 |
| Dx Rev excl Riders [$M] | 1,024 | | 53.9 | 186.5 | 392.6 | 74.8 | 113.9 | 105.5 | 11.6 | 15.7 | 4.8 | 0.9 | 0.6 | 63.4 |
| Est of Total Bill [$M] using RPP of 5/5.9 effective Nov 1st | 3,797 | | 181.1 | 527.3 | 700.9 | 129.6 | 276.4 | 360.9 | 48.4 | 122.8 | 14.1 | 2.6 | 1.0 | 1,431.8 |
| OMA | 100% | | 6.76% | 24.04% | 38.79% | 8.06% | 10.48% | 7.19% | 0.93% | 0.96% | 0.64% | 0.18% | 0.01% | 1.96% |
| NFA | 100% | | 5.78% | 21.57% | 35.38% | 7.62% | 10.52% | 12.37% | 0.90% | 2.13% | 0.89% | 0.19% | 0.01% | 2.64% |
| | | | | | | | | | | | | | | |
| Balances | $ 1000s | Allocator | | | | | | | | | | | | |
| RSVA Wholesale Mkt SrChg | (74,500) | GWh excl WMP | $ (4,587.20) | $ (13,531.01) | $ (17,267.37) | $ (2,169.67) | $ (7,058.98) | $ (9,938.84) | $ (1,302.19) | $ (2,550.63) | $ (370.24) | $ (68.82) | $ (10.41) | $ (15,644.63) |
| RSVA Tx Network | (8,500) | GWh | $ (330.65) | $ (975.32) | $ (1,244.63) | $ (156.39) | $ (508.81) | $ (716.39) | $ (93.86) | $ (183.85) | $ (26.69) | $ (4.96) | $ (0.75) | $ (4,257.70) |
| RSVA Tx Connection | 3,800 | GWh | $ 147.82 | $ 436.02 | $ 556.42 | $ 69.92 | $ 227.47 | $ 320.27 | $ 41.96 | $ 82.19 | $ 11.93 | $ 2.22 | $ 0.34 | $ 1,903.44 |
| RSVA LV Wheeling | 3,600 | GWh | $ 140.04 | $ 413.08 | $ 527.14 | $ 66.24 | $ 215.50 | $ 303.41 | $ 39.75 | $ 77.87 | $ 11.30 | $ 2.10 | $ 0.32 | $ 1,803.26 |
| RSVA Provincial Benefit | 6,000 | GWh excl WMP | $ 369.44 | $ 1,089.75 | $ 1,390.66 | $ 174.74 | $ 568.51 | $ 800.44 | $ 104.87 | $ 205.42 | $ 29.82 | $ 5.54 | $ 0.84 | $ 1,259.97 |
| OEB Costs | (200) | OMA | $ (13.52) | $ (48.09) | $ (77.58) | $ (16.12) | $ (20.97) | $ (14.37) | $ (1.85) | $ (1.93) | $ (1.28) | $ (0.36) | $ (0.01) | $ (3.92) |
| Tax Rate Change | (7,200) | NFA | $ (416.37) | $ (1,552.86) | $ (2,547.60) | $ (548.46) | $ (757.21) | $ (890.66) | $ (64.78) | $ (153.50) | $ (64.33) | $ (13.83) | $ (0.45) | $ (189.95) |
| Smart Meter Minimum Functionality to May 31, 2007 | 7,000 | Cust # | $ 963.36 | $ 2,237.70 | $ 2,169.39 | $ 922.46 | $ 576.65 | $ 41.70 | $ 75.76 | $ 8.49 | $ - | $ - | $ 0.50 | $ 4.00 |
| Smart Meter Costs Exceeding Minimum Functionality | 2,200 | Cust # | $ 302.77 | $ 703.28 | $ 681.81 | $ 289.91 | $ 181.23 | $ 13.11 | $ 23.81 | $ 2.67 | $ - | $ - | $ 0.16 | $ 1.26 |
| Smart Meter Minimum Functionality after May 31, 2007 | 2,300 | Cust # | $ 316.53 | $ 735.24 | $ 712.80 | $ 303.09 | $ 189.47 | $ 13.70 | $ 24.89 | $ 2.79 | $ - | $ - | $ 0.16 | $ 1.31 |
| **Total Regulatory Assets for Approval** | $ (65,500) | | | | | | | | | | | | | |
| | $ (65,500.0) | | $ (3,107.8) | $ (10,492.2) | $ (15,099.0) | $ (1,064.3) | $ (6,387.1) | $ (10,067.6) | $ (1,151.6) | $ (2,510.5) | $ (409.5) | $ (78.1) | $ (9.3) | $ (15,123.0) |
| Assuming a 4 year recovery | $ (16,375.0) | | $ (776.9) | $ (2,623.1) | $ (3,774.7) | $ (266.1) | $ (1,596.8) | $ (2,516.9) | $ (287.9) | $ (627.6) | $ (102.4) | $ (19.5) | $ (2.3) | $ (3,780.7) |
| | Rider 3 | c/kWh | (0.05) | (0.06) | (0.07) | (0.04) | (0.07) | | (0.07) | | (0.08) | (0.09) | | |
| | | $/kW | | | | | | (0.23) | | (0.28) | | | (0.05) | (0.09) |
| | Impacts | | -0.43% | -0.50% | -0.54% | -0.21% | -0.58% | -0.70% | -0.59% | -0.51% | -0.73% | -0.75% | -0.24% | -0.26% |